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NEWS RELEASE

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PSC PREVENTS CUTOFF OF WATER TO CITY OF LIVINGSTON
Supplier had threatened shutdown over unpaid bills

FRANKFORT, Ky. (May 4, 2006) – The Kentucky Public Service Commission (PSC) today ordered the Wood Creek Water District to continue providing water to the Livingston Water Works, despite the fact that the city allegedly owes the district at least \$9,000 in unpaid bills.

“The failure of the city to pay for the water it uses is of course unacceptable,” PSC Chairman Mark David Goss said. “However, allowing the water to be shut off would leave the citizens of Livingston without fire protection and sewer service and pose a potential health risk.

“Wood Creek has been patient with Livingston and we certainly understand their frustration,” Goss said. “But the Commission believes the best course of action is to maintain service while we attempt to find a solution to this problem.”

Livingston, which has about 195 customers on its water system, has repeatedly fallen behind in payments to Wood Creek in the past two years. Wood Creek provides Livingston with about 18 million gallons of water per year.

Livingston’s water bills have accumulated, reaching about \$17,000 before the city made several partial payments earlier this week. One of those payments was to make up for an earlier check which was returned for insufficient funds.

At a meeting held today at the PSC offices, Wood Creek officials said they intended to disconnect the entire Livingston system early tomorrow (May 5). Although Livingston officials were asked to attend the meeting, none did.

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Cutting off water to Livingston also would interrupt service to 33 customers of the Eastern Rockcastle Water Association. Livingston resells water to Eastern Rockcastle.

In deciding to prohibit the cutoff, the PSC cited not only the dangers posed by the loss of water to fire hydrants in Livingston, but also the fact that a loss of water service would prevent the city's sewer system from functioning properly, creating a risk to public health and the environment.

Separately, the PSC issued administrative subpoenas to Livingston officials to provide the PSC with payment records and other documents and to appear at a hearing before the PSC on May 22 at 1:30 p.m.

At that hearing, the PSC will take testimony on the situation from all parties.

If the situation cannot be resolved, the possibility remains that Wood Creek could discontinue service to Livingston.

Today's order and other documents in the case are available on the PSC Web site, psc.ky.gov. The case number is 2006-00184.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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